

## 2006-2007 PERFORMANCE PLAN – SENIOR INVESTMENT OFFICER, ALTERNATIVE INVESTMENTS (Shahinian)

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### *Quantitative Performance Measures*

Weight	Factor	Performance Measure	Incentive Schedule
25%	Total Fund Performance	Excess return in basis points relative to total fund performance benchmark. (SJ1C – CPERSTOT)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
55%	AIM Program Performance vs. AIM Benchmark	Total AIM portfolio investment performance vs. Venture Economics young fund median return benchmark for measured time period.  Identifiers:  N/A – performance and benchmark compiled quarterly by Wilshire	Median = 0 Median +150 = 1 Median +250 = 1.5
5%	Absolute Return Strategies Program	Return relative to program policy  Identifiers:  SNLCA1 – Total ARS Program  CPERHEDG – Total ARS Program blended index	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5
85%	Subtotal	Quantitative Measures	

## 2006-2007 PERFORMANCE PLAN – SIO, ALTERNATIVE INVESTMENTS – (Shahinian) Continued

### Qualitative Performance Measures – continued

Weight	Factor	Performance Measure	Incentive Schedule	Quarterly Status Report
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community. Dimensions include leadership:</p> <ul style="list-style-type: none"> <li>• Within Investment Group</li> <li>• Trustees</li> <li>• CalPERS</li> <li>• External Investment Community</li> <li>• Diversity</li> <li>• Succession Plan</li> <li>• Strategic Plan</li> </ul>		<p>Score (0 – 10)</p> <p>0 = 0</p> <p>5 = 1.0</p> <p>10 = 1.5</p>
	Including CalPERS Enterprisewide Objectives:	<p><u>Enterprise Compliance:</u></p> <p>By June 30, 2007:</p> <ul style="list-style-type: none"> <li>• Identify all policies and regulations for my area/asset class and the tools and monitoring methods used to ensure compliance;</li> <li>• Ensure that all staff in my area of responsibility have completed ethics training and are knowledgeable regarding all policy, rules and regulations affecting their position; and</li> <li>• Perform compliance risk assessment of policies, rules and regulations in my area/ asset class and submit to CIO. (Compliance Office will supply a template, criteria and training on compliance risk assessment by 1/1/07.)</li> </ul> <p><u>Employee Survey Initiatives:</u></p> <ul style="list-style-type: none"> <li>• Choose one high-impact activity from 14 Employee Survey Initiatives that is significant and meaningful to your asset class group; obtain CIO approval of specific goal relating to initiative for achievement by June 30, 2007.</li> </ul>		<p>From rating schedule</p>
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		

Supervisor's Approval: Original signed by Russell Read

Date: August 1, 2006